

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE 2008 INTEGRATED)
RESOURCE PLAN OF DUKE)
ENERGY KENTUCKY, INC.)

CASE NO. 2008-00248

O R D E R

On July 1, 2008, Duke Energy Kentucky, Inc. ("Duke Kentucky") filed a petition requesting confidential treatment of certain information contained in its 2008 Integrated Resource Plan ("IRP"). This information is described as including (1) information related to operations and management costs, projected fuel and environmental compliance costs, power market prices, projected capacity, and resource alternative capital costs; (2) information on projected sales and revenue requirements; (3) supply side screening curves and resource evaluations; (4) third-party owned and licensed modeling tools; and (5) critical transmission system maps. The Commission granted confidential treatment to all of the information requested except the following: (i) the interconnections list contained in Table 8(3)(a), excluding the attached map of transmissions facilities; (ii) the screening curves contained in Figures GA-5-4-C through GA-5-14-C, except for Figure GA-5-8C; and (iii) page SA-40-C Titled "Energy Efficiency Avoided Costs." Implicit in the Commission's denial was the finding that Duke Kentucky failed to satisfy its burden of proving that such materials fell within the exclusions from disclosure requirements enumerated in KRS 61.870, *et seq.*¹ Duke Kentucky

¹ See 807 KAR 5:001, Section 7(2)(d).

has now filed a motion for rehearing of the decision denying confidentiality to the screening curves and page SA-40-C.²

Duke Kentucky now seeks to limit its request for confidentiality of the screening curves. In revising its request, Duke Kentucky now asserts that it seeks to protect only the vertical “y-axis labels” of the curves contained in Figures GA-5-4-C through GA-5-14-C, “which numerically specify the estimated \$/kW-year costs for the various alternatives [Duke Kentucky] evaluated.” Duke Kentucky notes that the comparative economics of each of the alternatives is still evident in the curves even in the absence of the y-axis values. Duke Kentucky maintains that interested parties will be able to determine how the various technologies compare relative to one another without access to the confidential information. In contrast, Duke Kentucky argues that disclosure of such information would divulge the value of its internal analyses assigned to the various generating technology alternatives. The total release of Figures GA-5-4-C through GA-5-14-C would afford Duke Kentucky’s suppliers and vendors an undue advantage by enabling them to calculate the amount that Duke Kentucky anticipates the various requirements to cost.

Duke Kentucky also seeks reconsideration of the public release of page SA-40-C, which contained a chart of the projected avoided cost data for Duke Kentucky’s efficiency and demand-side management programs through 2023. The values depicted in the chart include Duke Kentucky’s estimated avoided generation, transmission, and distribution costs. Duke Kentucky asserts that its own cost/kWh

² Duke Kentucky is not seeking rehearing on the Commission’s denial of confidential treatment to the interconnections list contained in Table 8(3)(a), excluding the attached maps.

could be determined based on the values contained on page SA-40-C when compared to other information already disclosed in its IRP. In an affidavit accompanying the motion for rehearing, David Freeman, Duke Energy Service's Midwest IRP Director, states that, "[C]omparing the information on page SA-40-C to the Company's total load, residential load, and non-residential load depicted on page 4-39 of the IRP, could easily be used to the advantage of merchant generators (including possible renewable portfolio operators) to determine DE-Kentucky's avoided cost of generation." Duke Kentucky maintains that such information would provide power bidders with a price floor to their proposals, ultimately harming Duke Kentucky and its customers.

The Commission finds that the arguments supporting confidentiality contained in Duke Kentucky's motion for rehearing are much more specific than those in its initial petition for confidentiality, which were general and conclusory in nature. In addition, Duke Kentucky has revised its request by seeking to protect only a limited portion of the screening curves. Based on these additional and more specific reasons and the more limited request, the Commission finds that Duke Kentucky has satisfied its burden of proof as required under 807 KAR 5:001, Section 7(2)(d).

IT IS THEREFORE ORDERED that:

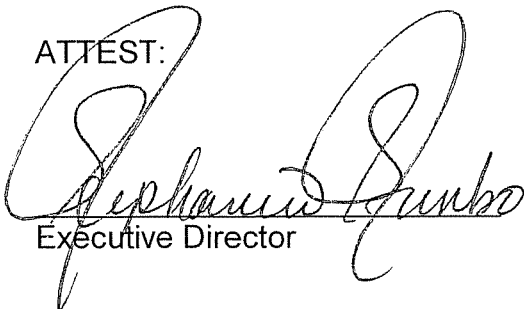
1. Duke Kentucky's motion for rehearing is granted.
2. The vertical y-axis labels of the screening curves contained in Figures GA-5-4-C through GA-14-C, and page SA-40-C, are entitled to confidential protection on the grounds relied upon in Duke Kentucky's motion and shall be withheld from public inspection.

3. If the information becomes publicly available or no longer warrants confidential treatment, Duke Kentucky is required by 807 KAR 5:001, Section 7(9)(a), to inform the Commission so that the information may be placed in the public record.

Done at Frankfort, Kentucky, this 19th day of September, 2008.

By the Commission

ATTEST:


Executive Director